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SUBJECT: CULIACAN CONFERENCE EXPLORES REFORM ALTERNATIVES FOR MEXICAN DEMOCRACY

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11. (U) Summary: On May 25, little more than a month before Mexico's national elections, the annual binational academic conference in Sinaloa on democratic development comparatively examined presidential and parliamentary systems. Participants reviewed the strengths and weaknesses of Mexico's presidential system, the U.S. presidential model and the Canadian parliamentary system in an academic exercise designed to look for ways to alter the structure of the Mexican system to be more reactive to the needs of the Mexican people. They proceeded on a basic working premise that the Mexican system is structurally flawed and cannot provide adequately for the needs of the Mexican citizenry. Part of the debate also involved sharp criticism of U.S. immigration policy. It also included discussion of development in Sinaloa fueled by drug money laundering. End Summary.

12. (U) The May 25 conference was organized by the Universidad Autonoma de Sinaloa School of Law (UAS), the Sinaloa Center of Sciences, the Universidad de Occidente and the Instituto Federal Electoral. It received support and funding from the Public Diplomacy (PD) Section of U.S. Consulate Guadalajara and CODESIN, a public-private development entity based in Culiacan. Participating Americans included Dr. David Shirk, University of San Diego, who was sponsored by Guadalajara to speak about the U.S. presidential system, and Mark Bliss, U.S. Consulate Hermosillo, who served as a commentator and USG representative. Guadalajara PD LES Maria Elena Saucedo was a panel moderator.

13. (U) Gonzalo Armienta Hernandez, director of the Law Faculty at UAS, used his opening remarks to introduce a scathing critique on U.S. immigration policy. He referred negatively to the U.S. Senate debate on immigration that was taking place simultaneously, and to President Bush's recent address on immigration, but dwelt on the proposal of some for a barrier along parts of the border, calling it a "wall of shame."

14. (U) The President of UAS, Cesar Sanchez Montoya, took up the unexpected topic with a more balanced presentation on the immigration situation. He pointed out that Mexican migrants go to the United States illegally because the Mexican government is not making opportunities available for its citizens. He said that the types of opportunities that migrants seek in the U.S. are "not made in Mexico". Montoya tied this into the theme of the conference that alternative ideas for reform need to be explored to make Mexico, a "country rich in natural resources and other wealth," more responsive to the needs of its citizens. These remarks were well-received.

15. (U) When the conference moved to the scheduled agenda, Dr.

Jeffery Allen Weldon, Autonomous Technological Institute of Mexico (ITAM), spoke on Mexico's presidential system, and Duncan Wood, ITAM, on the Canadian parliamentary system. Dr. Shirk gave an excellent presentation on the origin and history of the American system of government and analyzed several strengths and weaknesses of this model. ConOff Bliss talked about the informal powers of American presidents, including the ability to capture the attention of the country and world because of position and use of television, giving the recent address given by President Bush on immigration as an example. The real comparison weighed in the conference was what happens when the legislature or the executive is more powerful.

¶6. (U) At the break, the media besieged Conoff with questions about the status of proposed measures raised in the immigration debate. ConOff explained that the reform proposals are not yet law and discussed elements of President Bush's position (taken from his speech). He noted that that the President's views had largely been adopted by the Senate and that continuing discussions between House and Senate will likely result in a compromise bill.

¶7. (U) During the conference's afternoon session, the group "Sociedad en Movimiento" was participated and showed a video outlining Mexico's natural wealth, proud heritage and possibilities along with the failures of government to provide opportunities for workers and young people. This group's basic premise, echoed by other participants throughout the day, was that changes in the structure of Mexico's democracy are necessary to attend to the needs and interests of the citizenry.

¶8. (SBU) One of the most interesting discussions concerned the book "Queen of the South," which describes how a young woman is drawn into the drug trade in Sinaloa, and the cottage industry of money laundering businesses that have grown-up along Avenida Benito Juarez in Culiacan, site of the conference. Some viewed this as a cautionary tale of where government fails to provide opportunities and other - in this case nefarious influences --

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supplant government. Others pointed out that Culiacan is a thriving capital city which has benefited from some \$300 million in capital investment over the last 10 years (according to CODESIN), and that very little of this investment was Foreign Direct Investment, or money from the Mexican federal level. It was largely locally generated. (Comment: By some estimates, 70 percent of all business activity in Sinaloa is related to narco-trafficking. This figure may be high, but the point is clear. End comment.) Although the source of a portion of investment funds in Sinaloa was suspect, some conference participants noted that it was good news simply that this development was taking place, that ultimately people and government benefited from it, and that there existed the possibility that associates of organized crime could become legitimate. Others regarded the situation as bad news, and argued in rebuttal that, should the investment from this type of development not pay the expected returns, government is not prepared to handle the fallout from organizations that feel as though they can operate with impunity.

¶9. (U) Comment: The conference in Sinaloa sparked lively and detailed debate which -- despite the occasional odd view -- was worthy of a conference seeking ways to strengthen democratic governance in Mexico. Dr. Shirk, the U.S. sponsored presenter did an excellent job. Consulate Hermosillo appreciated the opportunity to participate. End Comment.

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